

THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY



25 - 28 JULY 1964 50X1
~~TOP SECRET~~

1. South Vietnam: The past few days have been filled with conflicting reports that a major governmental change is brewing.

They suggest that Khanh is under pressure to step aside, and there has even been talk of a coup. Nevertheless, there has not been sufficient substance in all this to prove that Khanh is losing control. He has indicated to Ambassador Taylor, however, that he may have some kind of showdown with General Minh, who has opposed his recent "march north" theme.

On the military front, there has been no large-scale attack since last Thursday. Terrorist activity in the countryside, however, remains quite high. During July there have been 25 rural officials murdered by the Communists and more than 70 kidnapped, the worst monthly record this year.

A survey of the opinions of local commanders suggests that the morale of the South Vietnamese soldiers is in general holding up well, despite recent losses. [redacted]

[redacted] most commanders are confident the pacification program will work, although some feel there are too few forces available for the total task in South Vietnam.

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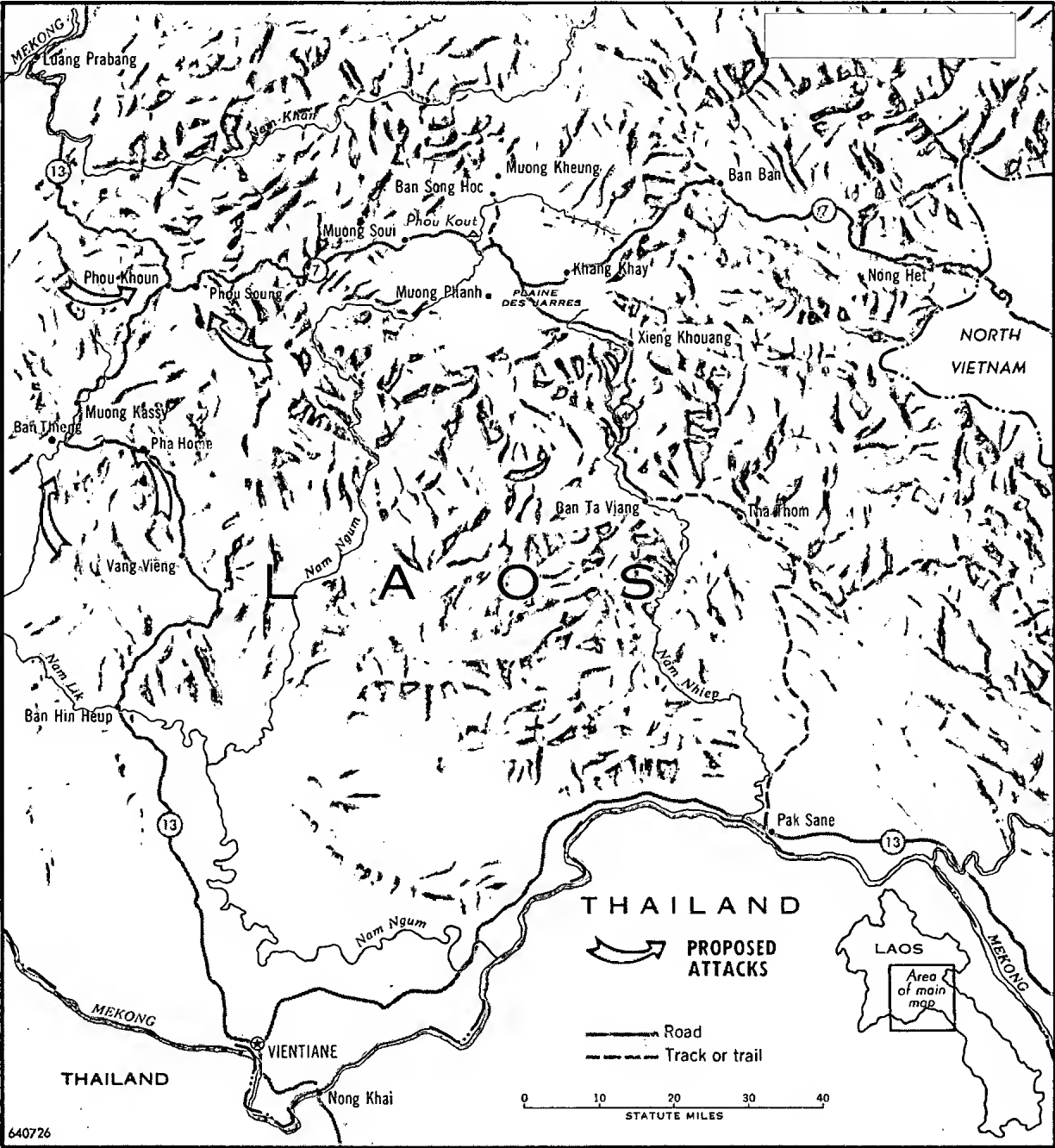
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2. Laos: Preparations for "Operation Triangle" have continued during the last few days, but we still have no clear indication it is fully under way.

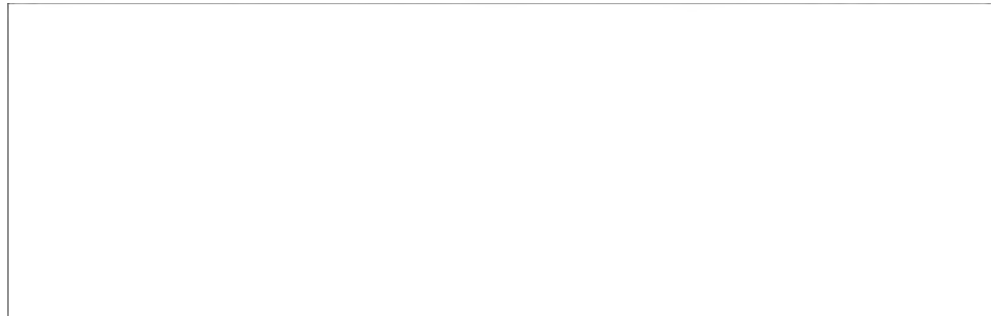
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Rightist and neutralist forces have been positioned in the areas around Pathet Lao strongpoints at Phou Khoun and Muong Kassy.



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In the Plaine des Jarres area, the rival forces are still taking turns occupying Phou Kout hill.



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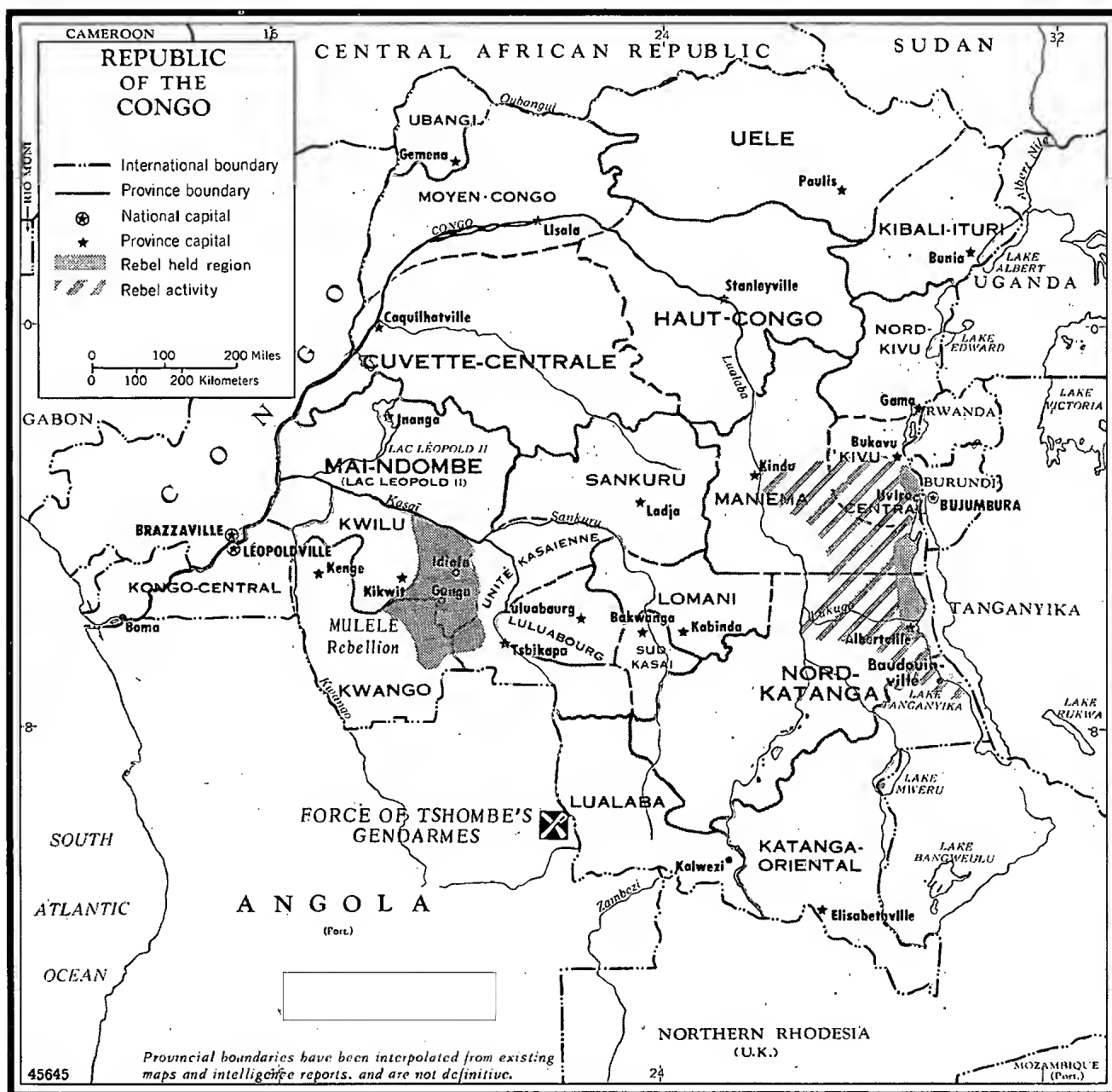
Diplomatic interest is now centered on Moscow, where Foreign Secretary Butler arrived on the 27th. We expect the Soviets to repeat to him their desire for a new 14-member conference, claiming the US has made the work of the co-chairmen impossible.

The Soviets may well intend to disengage themselves as much as possible from a situation where their ability to influence events has steadily declined.



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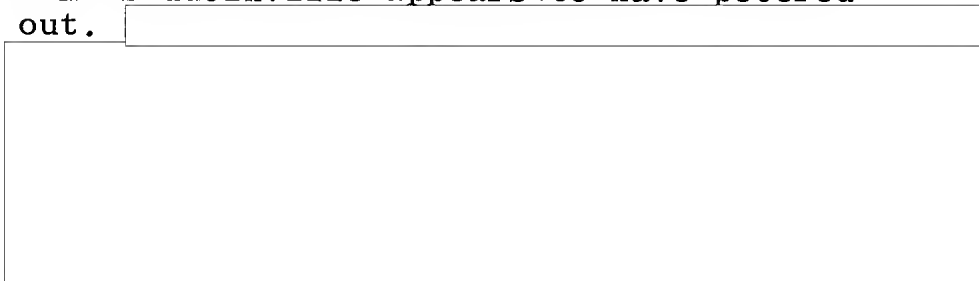


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3. Congo: Tshombé, back in Leopoldville after his brief trip to the dissident areas in the east, called the situation in Kivu Province much worse than he had imagined.

Despite Tshombé's efforts to stiffen resistance, the rebels continue to make advances. Following their takeover of Kindu, they have occupied several towns in the vicinity and small rebel bands apparently are on the move toward Stanleyville. The US consul in Stanleyville thinks it may be necessary to evacuate dependents and unessential consular personnel.

In Katanga, the government drive to re-take Baudoinville appears to have petered out.



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4. Cyprus: Makarios is in Athens, where Papandreou will probably urge him not to provoke any new crisis on the island while talks continue in Geneva.

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The archbishop has taken an extremely hard line lately, publicly declaring that he intends to make no concessions. When he left Nicosia Monday, he said he intended to restore the "common line." Taken in the context of his previous statements, he must have meant that it is Athens that is out of step.

Papandreou has indicated he is now hopeful the Geneva talks will provide a way out of the crisis. Besides the problem of Makarios, however, there is still the extremely sticky question of Turkish demands for a sovereign area on Cyprus.

On the island, the Greek Cypriots are continuing their economic and psychological campaign against the Turkish Cypriots. They have tightened the blockade of Turkish villages, stepped up harassment by small arms fire, and are dropping propaganda leaflets encouraging the Turkish Cypriots to desert their leaders and make peace.

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5. Cuba-USSR: Since the beginning of May at least 5,000 Soviet military personnel have left Cuba.

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We believe only about 2,000 Soviet technicians and advisers remain on the island. No Soviet operational or combat units are known to be in Cuba.

One Soviet passenger ship is en route to Cuba. There are indications that it will take Cubans to the USSR for military training.

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6. Haiti: Duvalier's brutality has encouraged renewed military plotting for his overthrow.

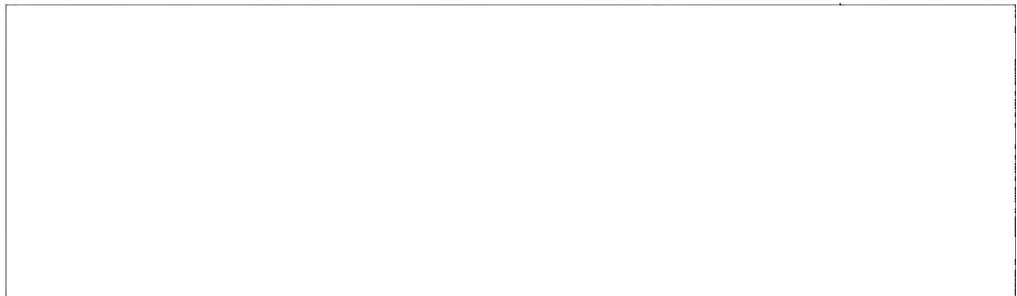
The Haitian Chief of Staff, General Constant, is said to be ready to move, but we are as yet uncertain of both his ability and his determination. Members of the plotting group are seeking--
--to arrange a meeting with Ambassador Timmons. The ambassador, however, is waiting to hear more on their organization and plans.

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Meanwhile, the handful of rebels that landed last month has returned to the Dominican Republic. Their losses were reported to be two dead, both by drowning. Other small groups still may be operating in southeastern Haiti.

7. Maphilindo: The Filipinos are going to try again to arrange a tripartite foreign ministers' meeting.

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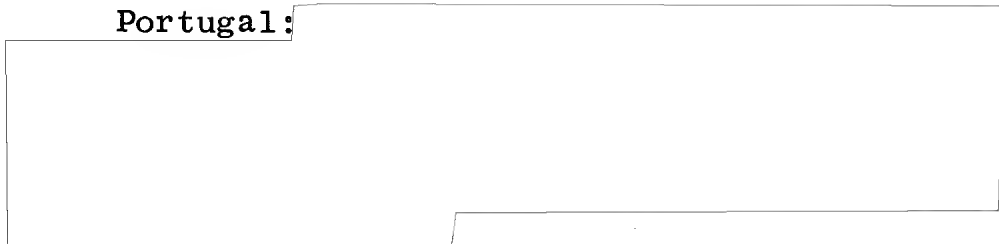


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8. Malaysia: The Singapore riots have worsened already tricky relations between the Chinese-dominated government there and the Malay-controlled central government in Kuala Lumpur.

The Singapore leaders believe Kuala Lumpur was too slow in moving against the Malay extremists, who seem to have touched off the rioting. They also fear they have lost support among Singapore Chinese, and may now feel they must stand up to the Tunku or lose out completely.

9. Portugal:



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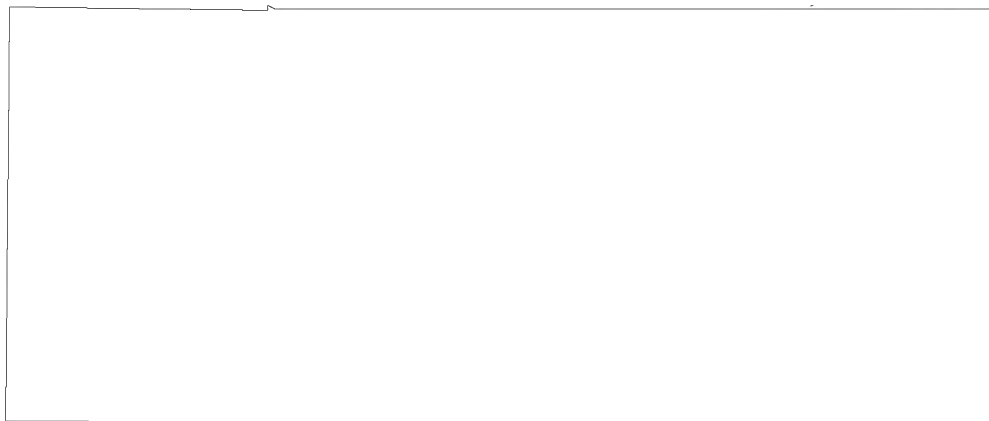
10. Tanganyika - Communist China: The Tanganyikans, having had no success with Western sources, may be turning to Peiping for arms.



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11. Lebanon: President Shihab is reported giving in to military pressure to run for a second term.

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12. India: Demonstrations over the shortage and rising prices of food grains are becoming widespread throughout India. A threatened strike by port workers in Bombay--which would tie up unloading of PL-480 supplies--may make the situation worse.

State governments are trying to force speculators to sell their hoarded supplies, and the Shastri government is under growing pressure to alleviate the situation.

13. Iraq: Public opposition to the recent nationalization decrees have the Arif regime worried. Security forces were alerted last weekend and a number of arrests were made.

 The regime continues to be generally unpopular and its control is shaky at best, but we still have no clear evidence of the kind of organized resistance needed to remove it.